



**Massachusetts Bay
Transportation Authority**

MBTA Organizational Discussion

March 26, 2018



Guiding principles for organization design

1. Keep **safety** 1st
2. Improve **customer service** & operations reliability
3. Increase **simplification** of *organizational structure*
 - *Clarify roles & responsibilities*
4. Aligning organization to reflect key **priorities**:
 - *Functionalization of key support roles*
 - *Define role of shared services*
5. Integrate **talent strategy** & **performance management**
 - *Focus and hire critical roles: Customer Experience, Capital Programs, Transit Services*
 - *Establish talent pipeline and continuous talent gap analysis function*

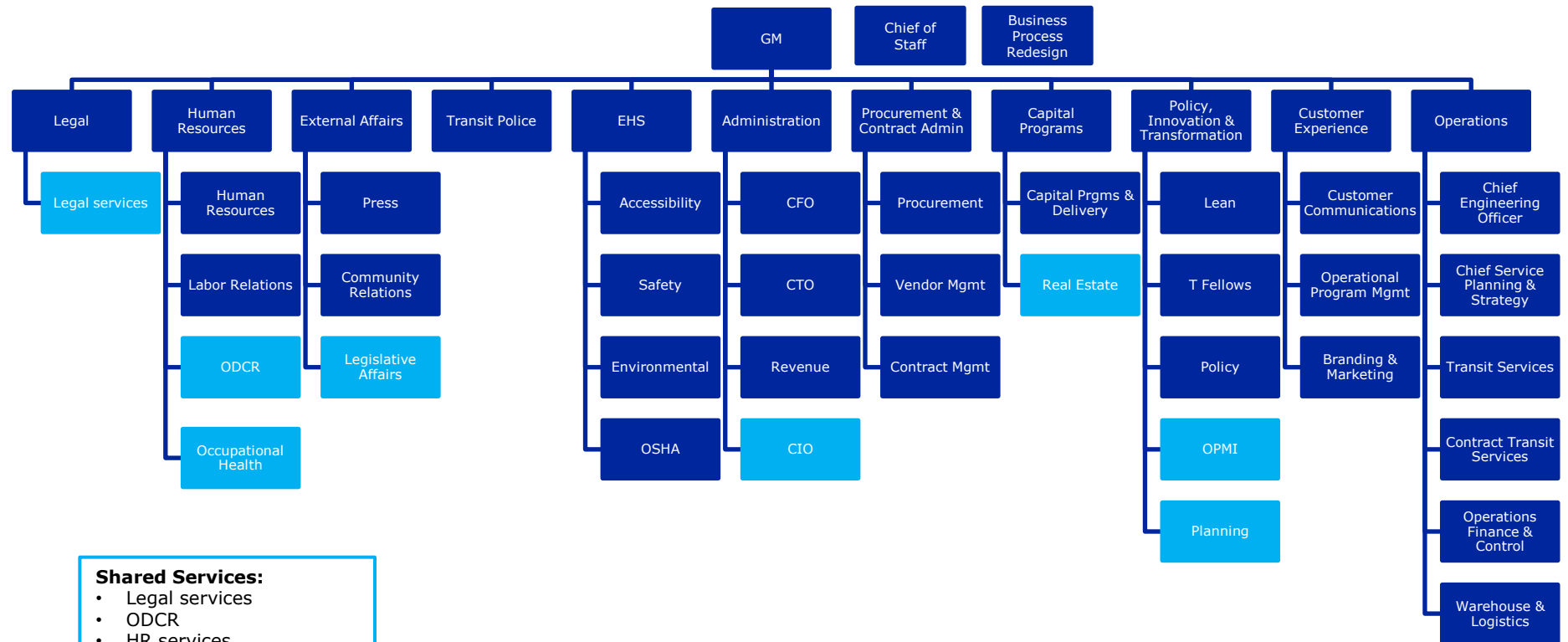


Functional organization design and shared services

- ✓ Structure better aligns verticals to deliver on core MBTA mission
- ✓ MBTA and MassDOT both benefit from shared services that meet functions vital to both organizations
 - Critical that shared services are accountable to MBTA and MassDOT
- ✓ Functional view does not supersede statutorily required reporting relationships (i.e. direct reporting to GM remains intact)
- ✓ New alignment helps address gaps in current functions
 - Example: If an employee is exposed to a chemical spill, who responds? Safety, Environmental...
 - Example: If new service is coming online, who leads outreach to customers, municipal partners, and state legislature?

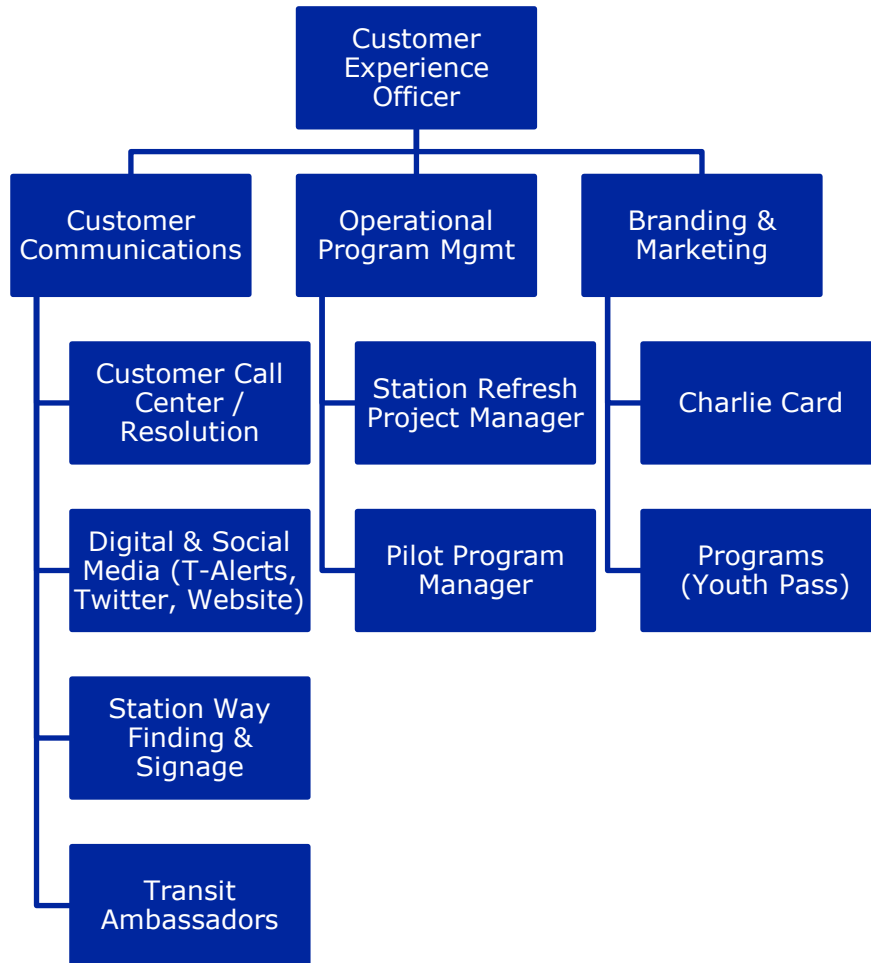


Functional MBTA organization





Customer Experience

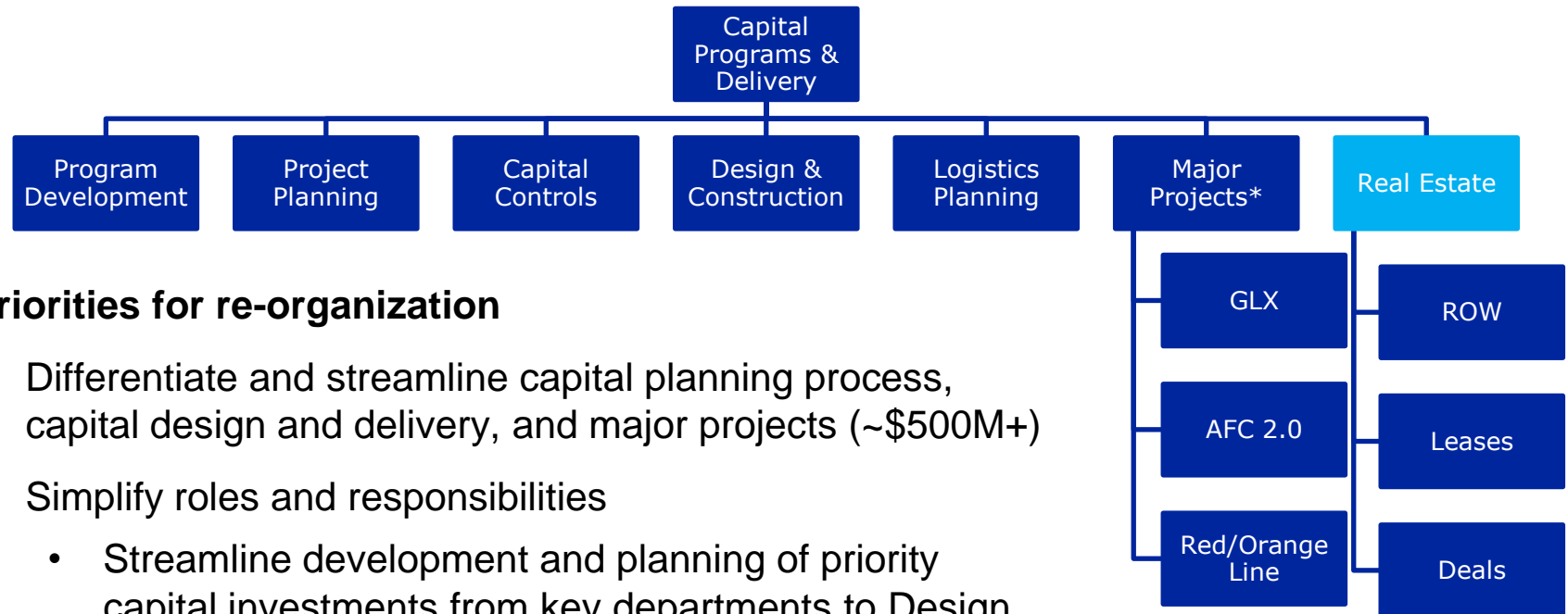


Priorities for re-organization

- Prioritize Customer Experience across the MBTA
- Hire critical leadership positions including Chief Customer Experience Officer and Branding & Marketing lead
- Focus of department will include centralizing approaches to:
 - Customer communications
 - Digital footprint
 - In station experience
 - Pilot innovative programs
 - Engage with MBTA riders



Capital Programs

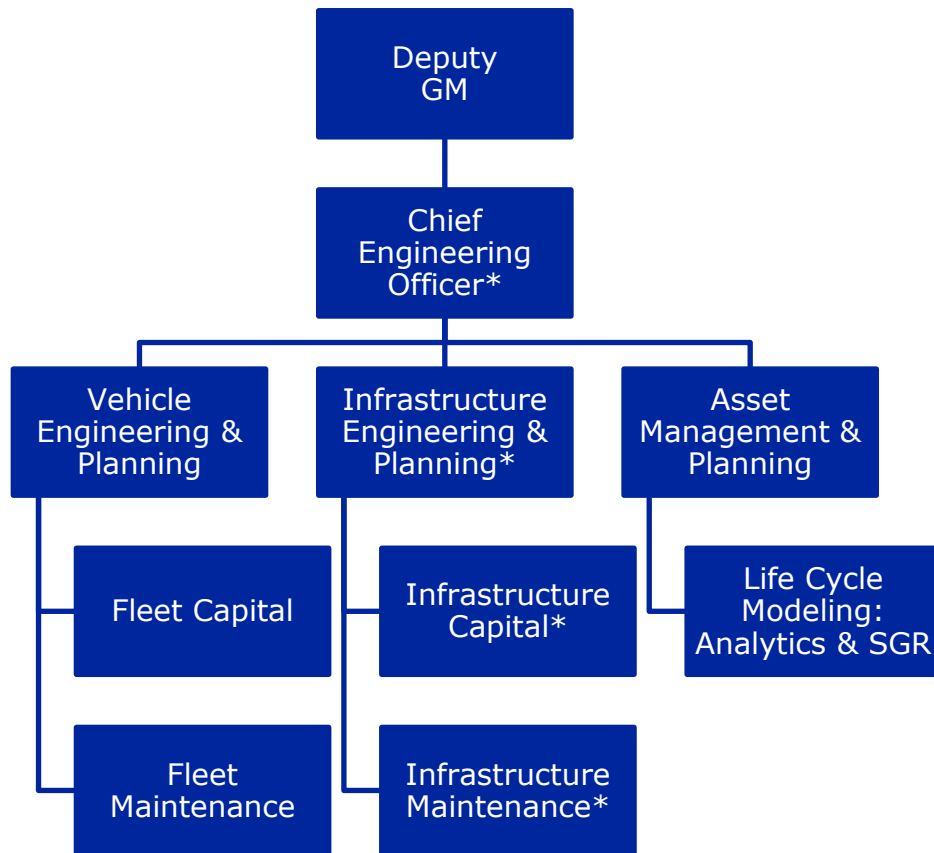


Priorities for re-organization

- Differentiate and streamline capital planning process, capital design and delivery, and major projects (~\$500M+)
- Simplify roles and responsibilities
 - Streamline development and planning of priority capital investments from key departments to Design & Construction
 - Focus Design & Construction on core, SGR projects and programs (~\$1B+ total annual spend)
 - Apply GLX model for major projects including PTC, AFC 2.0, R/O Line



Chief Engineering Officer



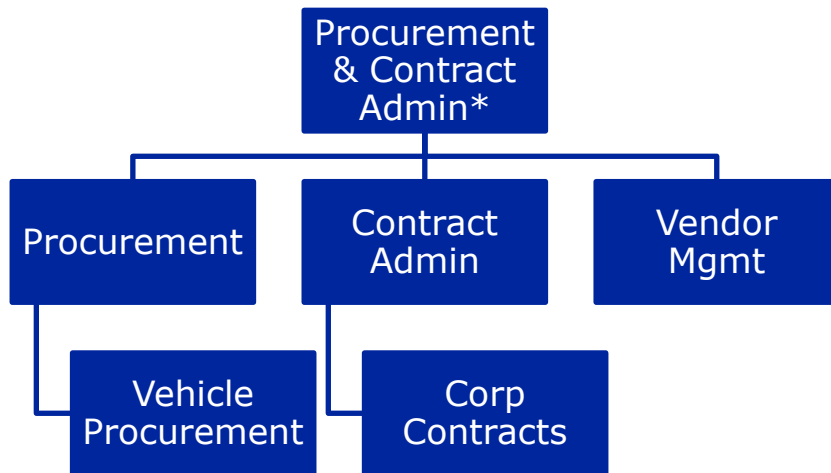
*Includes track, power, signals, and facilities

Priorities for re-organization

- Establish Chief Engineering Office for medium and long term planning and standard setting
- Augment critical day-to-day maintenance function that keeps the transit system running and responds to immediate operational needs
- Partner with capital Program Development and Project Planning functions as well as Capital Delivery to ensure pipeline of worthy SGR projects
- Build out asset management and life cycle modelling function



Procurement and Contract Administration

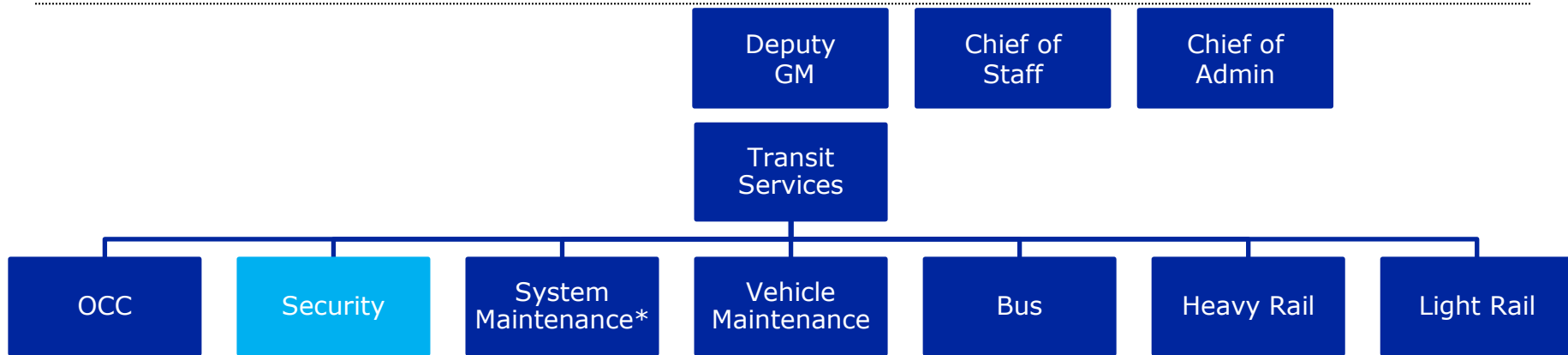


Priorities for re-organization

- Continuous improvement of procurement function leveraging process maps and technology
- Formalize contract administration function
 - Focus on both corporate and operating contracts
 - Continue to standardize contracting process, service level agreements, and risk mitigation strategies
- Continue to further build out vendor management function for key relationships
 - Model successful vendor management approach with Brinks



Transit Services



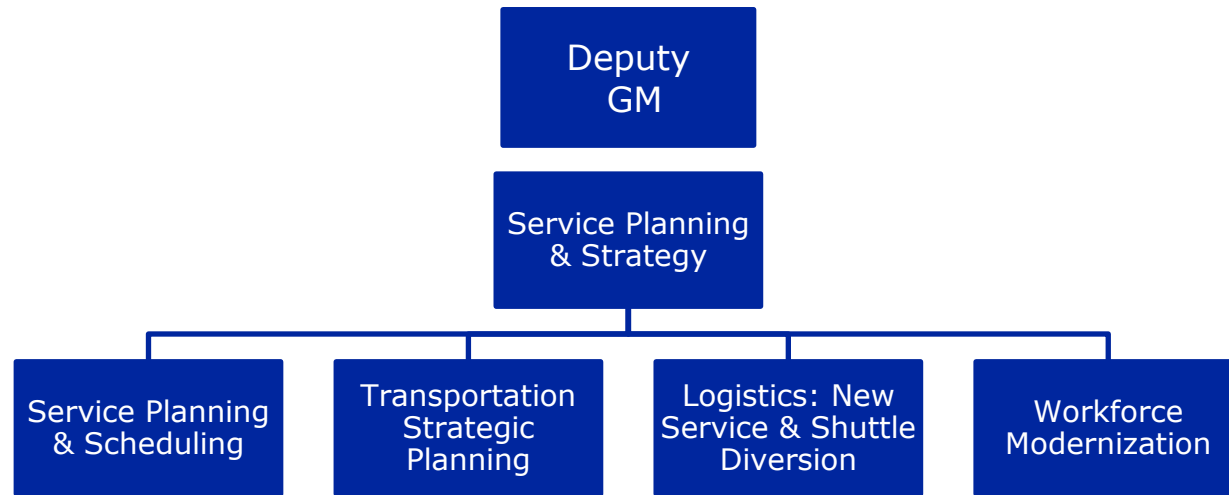
*Includes track, power, signals, and facilities

Priorities for re-organization

- Focus on day-to-day operations of the MBTA including:
 - Safe and reliable delivery of MBTA provided services including heavy and light rail, bus, and trolley
 - Maintenance including regular upkeep of track, power, signals, and facilities
 - Ensure fleet preparedness and car count for daily service including all critical maintenance and upkeep needs
 - Responsibility to communicate prioritized capital investment needs to Chief Engineering Officer and Deputy General Manager



Service Planning and Strategy

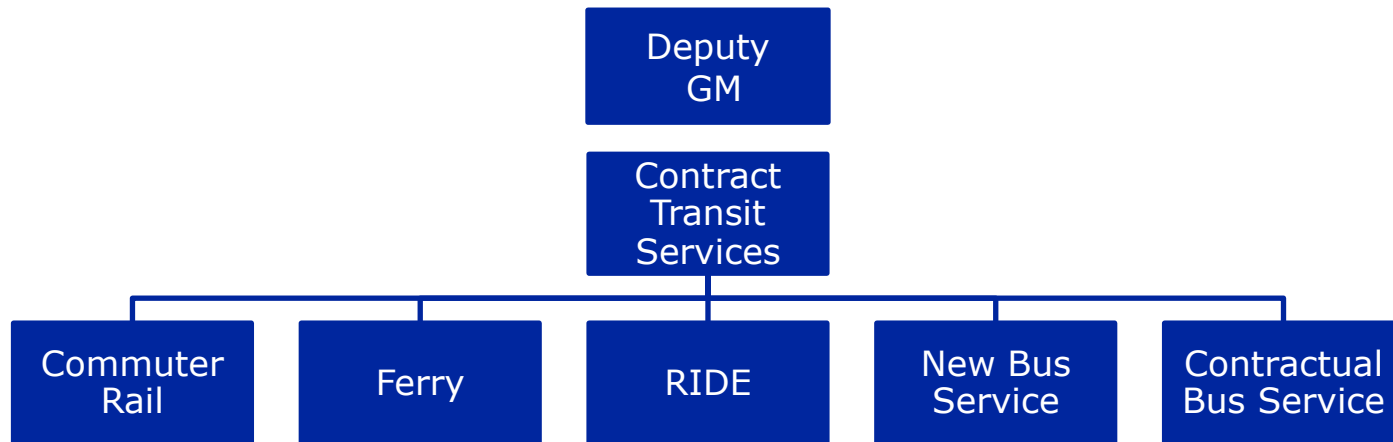


Priorities for re-organization

- Expand service planning capability to accommodate increased pace of capital delivery projects and potential service expansion
- Focus on proactive diversion planning and logistics to further support customers and capital delivery priorities
- Adopt best-in-class software to improve scheduling and roster picking



Contracted Transit Services



Priorities for re-organization

- Oversight of largest contractual service relationships
- Partner with vendors to ensure reliable and safe service for MBTA customers
- Focus on continuous service improvement and risk mitigation
- Evaluate contractual frameworks for future contracted services



Renewed focus on talent and capabilities

Human Resources:

- Develop talent acquisition strategy, improve partnership with departmental leaders, and implement performance management

Business Process Improvement:

- Build out internal consulting unit to implement business process redesign, and technology enabled improvements

LEAN Strategies:

- Further implement LEAN strategies across operational and corporate functions with measurable goals and objectives for FY19

Safety:

- Create a centralized Environmental, Health, and Safety (EHS) function with a major focus on OSHA implementation

Risk Management:

- Build a culture of risk management including the development of tollgate functions across financial, procurement, and operational processes

Project Managers:

- Hire and retain more formally trained project managers to execute capital projects and strategic initiatives



Shared Services

Legal services:

- Leverage legal services matrix organization

Human Resources services:

- MBTA led HR department, coordinate on policy items with HR service organization

ODCR:

- Coordinate policy and reporting with ODCR team including statutory requirements

Occupational Health:

- Coordinate use of clinic and clinic resources

Chief Information Officer

- Focus on core technology improvements and legacy application retirement

Real Estate

- Focus on ROW, lease, and RE deals, using both MBTA led and shared services

OPMI

- Continued coordination of analysis and policy development

Security

- Continued use of common security assets

Planning

- Common approach to long term planning (Focus 40)

Legislative Affairs

- Coordinated outreach to state and municipal officials



Appendix



Focus on Leadership Positions

- Reorganization analysis identified 25 key positions that MBTA will focus on filling with the aim of having all in place in the beginning of FY19

Sample of critical roles

General Counsel

Environmental, Health, and Safety Officer

CFO – Operations Finance & Control

Senior Director of FP&A

Customer Experience Officer

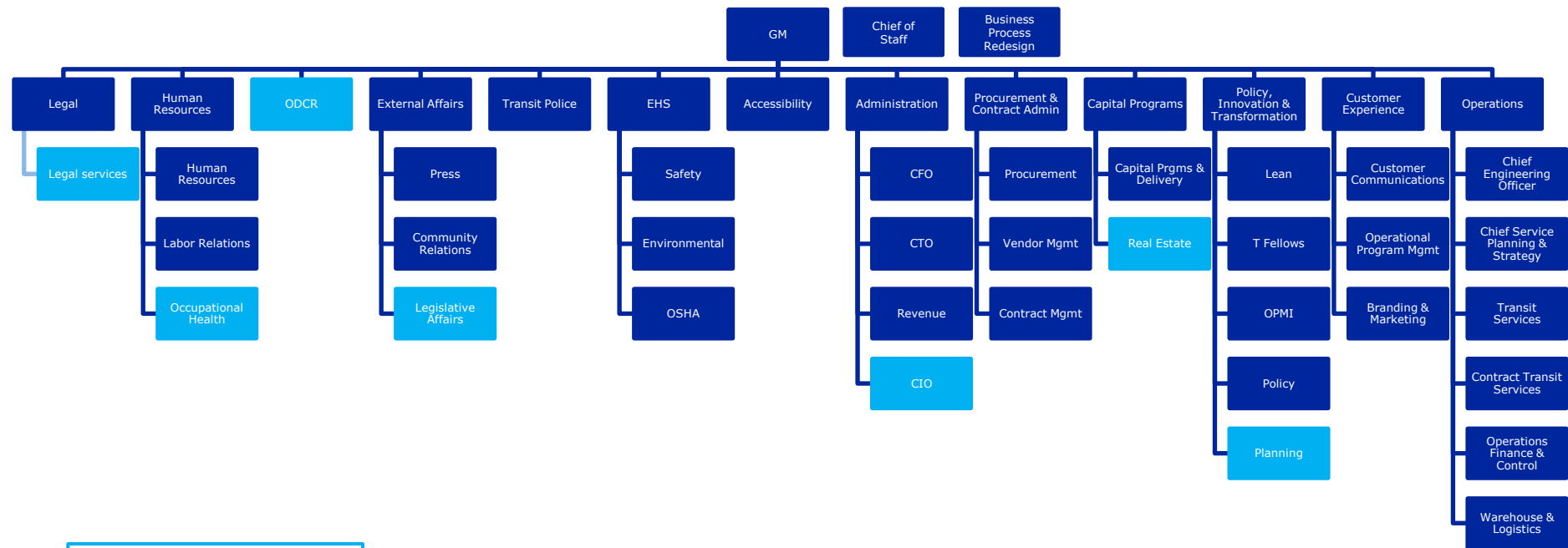
AFC 2.0 Director

Senior Director of Warehouse & Inventory Management

Chief Procurement and Contract Administration Officer



Statutory MBTA Organization

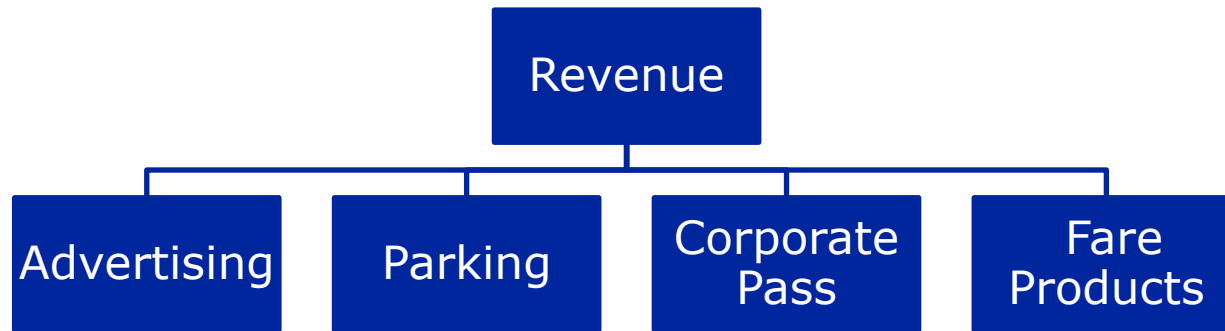


Shared Services:

- Legal services
- ODCR
- HR services
- Occupational Health
- CIO
- Real Estate
- OPMI
- Security
- Planning
- Legislative affairs



Revenue



Priorities for re-organization

- Focus on increasing own-source revenue across all lines
- Continued expansion of digital advertising and customer communication signage
- Revamped corporate pass strategy with focus on activating customer base
- Evaluation of fare products and pricing with guidance from FMCB